

A year of development for the future

Company/ASX Code	Mineral Resources / MIN
AGM date	Thursday, 16 November 2023
Time and location	9.30am Mineral Resources Park, 42 Bishopsgate St, Lathlain Western Australia 6100
Registry	Computershare
Type of meeting	Hybrid
Poll or show of hands	Poll on all items
Monitor	Alan Dickson, assisted by Alyse Daams
Pre AGM Meeting?	Yes, James McClements (Independent Non-Executive Chairman) and James Bruce (Executive General Manager Corporate Development)

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

Summary of issues for meeting

The company appears to be running well, with plenty of new developments. To a certain extent the company is at the mercy of the commodity prices which have varied considerable throughout the year. This is an area that the company cannot control and so has to handle it. The company's share price had several swings. Starting the year at \$48.27, reaching a peak of \$96.97 on 24 Jan 2023, ending the year at \$71.43. It hit a low of \$56.20 in October 2023 and has recovered to over \$60 at the time of writing. The company has several operating groups, an iron ore mining group, a lithium production group, an energy division, and the mining services division, which provides services to other companies as well as in house. It is of note that the company has changed Auditor from RSM Australia to Ernst and Young (E&Y).

Climate Change Targets

Greenhouse gas emissions (GHG) are tracked monthly at the Board level, with oversight of climate-related management and performance is delegated to the Sustainability Committee and the Audit and Risk Committee. We note the Managing Director is not a member of these two committees.

In FY23 GHG emissions continued to increase, and the company failed to reduce its GHG intensity target (measurement of tCO₂-e/ total material moved (wet metric kt)) which increased 19% between FY22 and FY23. MIN has attributed this to construction and higher pre-strip (vegetation clearing). ASA discussed climate change and the appropriateness of this as a metric in both 2022 and 2023 pre-AGM meetings. It is positive that these targets are being discussed at the Board level, however it will be important for MIN to progress abatement initiatives and ensure any investment into abatement initiatives materially reduces GHG emissions.

Key Board or Senior Management Changes

Several Board Changes occurred during FY23. Mr James McClements remains the Board's Non-Executive Chairman. James has relinquished his position as Chair of the Remuneration Committee to relatively new Director Mr Zimi Meeka (appointed May 2022).

In December 2022, the board appointed 2 new directors as of 1 January 2023, Ms Colleen Hayward and Mr Justin Langer. Both seek election at this AGM. By rotation Ms Xi Xi and Mr Kelvin Flynn seek re-election. The Board now has a higher female composition (37.5%) and aboriginal representation (12.5%). It would be good to see a matrix of skills within the board, and ASA has suggested this in previous years at the pre-AGM meeting. It would appear none of the current board members have cyber skills.

Seven of the eight Board members (87.5%) are titled independent. It is noted that Kelvin Flynn was appointed to the board in March 2010 so is exceeding the ASA recommended term of 12 years and so can no longer be deemed as Independent by ASA. ASA likes to see a rotation of directors to bring fresh ideas to the Board. It would also be good to more detailed matrix of board members skills in the corporate governance report, in light of the current wave of cyber-attacks and none of the current Directors appears to have experience in this field.

Financial performance including dividends and shareholder returns.

The company's financial performance in FY23 was impacted, by the changes in iron ore and lithium prices. Costs were also incurred to continue bringing the Wodgina mine's third stream online, an almost doubling of capacity at the Mt Marian mine and the start on the Onslow project the latter has not yet contributed to the revenue this year.

(As at FYE)	2023	2022	2021	2020	2019
Revenue (\$m)	4779	3418	3734	2125	1512
EBITDA (\$m)	1754	969	2183	2006	386
NPAT (\$m)	249	351	1268	1002	165
UPAT (\$m)	769	400	1103	333.6	204.8
Share price (\$)	71.43	48.27	53.73	21.17	14.98
Dividend paid (cents)	190	100	177	54	53
TSR (%)	52	-7	162	45	-3
EPS (cents)	126.25	184.87	673.2	533	87.1
CEO total remuneration, statutory (\$m)	5.99	3.94	3.48	4.34	3.02
CEO total <u>actual</u> remuneration, (\$m)	3.39	5.91	7.39	3.69	4.24

For FY23 the CEO's total actual remuneration was 61.8 times the Australian Full time Adult Average Weekly Total Earnings (based on May 2023 data from the Australian Bureau of Statistics).

Proposed Voting Summary

No.	Resolution description	
1	Adoption of Remuneration Report	Against
2	Election of Director Ms Colleen Haywood	For
3	Election of Director Mr Justin Langer	For
4	Re-Election of Director Ms Xi Xi	For
5	Re-Election of Director Mr Kelvin Flynn	For
6	Approval for Grant of Securities to Managing Director	For
7	Increase in Aggregate Fee Pool for Non-Executive Directors.	For

AGM Motions

A. Financial Statements and Reports

No vote required.

B. Resolution 1 - Adoption of Remuneration Report – AGAINST

The actual payments appeared reasonable for the size and complexity of the company. However, ASA is concerned with company's using only one financial metric in its Long-Term Incentive (LTI) calculations, in this case the 4-year average Return on Invested Capital (ROIC). We are pleased to see the LTI is based on a 4-year term and the STI has a cash component and two deferred share rights components. Last year we warned the company about additional hurdle parameters for the LTIs. There has been no change, so we oppose this resolution.

C. Resolution 2 – Election of Director – Ms Colleen Hayward - FOR

Ms Colleen Hayward AM was appointed as an Independent Non-Executive Director with effect from 1 January 2023. Ms Hayward is seeking election for the first time at this AGM. Ms Hayward joins the board with a history of serving both women's and Aboriginal causes. She has a Bachelor of Education degree and one in Applied Science, plus a Post Graduate Certificate in Cross Sector Partnerships. She is a senior Noongar woman with over 35 years of experience developing and leading programs to support and empower Aboriginal people in Western Australia. She will bring a new perspective to the board from her background and education. She is a member of the Sustainability Committee and the Audit and Risk Committee We support her election.

D. Resolution 3 – Election of Director – Mr Justin Langer - FOR

Mr Justin Langer AM is a former world-class cricketer, both as player and coach. He brings his team building attributes to the board. He has been a director of the West Coast Eagles Football

Club since 2017 and is an in demand public speaker. Throughout his career he has embraced discipline, partnership, and mateship to build successful and resilient teams. He is a member of the Remuneration & People and the Sustainability committees.

E. Resolution 4 – Re-Election of Director Ms Xi Xi - FOR

Ms Xi Xi was originally appointed to the board in September 2017. She retired by rotation in 2021 and does so again now. She has a MA degree in International Relations a BS in Chemical Engineering and has served as an analyst and portfolio manager focussed on the natural resource sector.

F. Resolution 5 – Re-Election of Director Mr Kelvin Flynn – FOR

Mr Kelvin Flynn was initially appointed to the board in 2010. ASA preference is to limit non-executive directors to a maximum term of 12 years. Kelvin appears to be a valuable member of the board and the only accountant. We consider he loses his “independence” status but will not vote against this motion as the board remains majority independent.

G. Resolution 6 – Approval for Grant of Securities to Managing Director – FOR

These payments are subject to the previous approvals. It is noted that the LTI payments are all based on the one financial factor an average ROIC and ASA believe additional factors should also be considered for the LTI, possibly also including some measure of performance with respect to other factors, such as advances in GHG controls etc.

H. Resolution 7 – Increase in Aggregate Fee Pool for Non-Executive Directors. – FOR

The last change of the Aggregate Fee was in 2020. Since then, additional Directors have been appointed, and the committees of board have an increased workload due to the increased size of the company that is now in the ASX top 50. These committee positions have now got increased pay for the directors and the directors fees have been increased in line with a comparator group of companies.

Appendix 1

Remuneration framework detail

The remuneration report is stated in Australian currency.

The amounts in the table below are the amounts that are envisaged in the design of the remuneration plan. Target remuneration is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Maximum opportunity is the capped amount (based on share price at date of grant) which would be earned if all targets were well-exceeded.

CEO rem. Framework for FY23	Target \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.60	32.8%	1.60	25.0%
STI - Cash	1.00	20.1%	1.00	15.6%
STI - Equity	0.34	7.0%	0.92	14.4%
LTI	1.93	39.6%	2.88	45.0%
Total	4.87	100.0%	6.40	100.0%

The above table does not take into account the vesting time of when the awards will be received.

We have concerns over the remuneration structure as follows:

- the lack of a second financial hurdle to ROIC as the yardstick for the LTI incentive – we prefer to see a second absolute hurdle such as growth in earnings per share or Total Shareholder Return.
- Also a yardstick that measures progress in greenhouse gas reductions and other sustainability factors. This would then give the KMPs a financial incentive to match the target reductions over a longer time period.

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